

2. PROCUREMENT OF MATERIEL AND NONPERSONAL SERVICES

a. AUTHORITY

- (1) The Central Intelligence Agency is authorized by law to procure materiel and nonpersonal services, including studies, reports, and the results of research and development, required to accomplish the Agency's mission.
- (2) The Director of Logistics shall exercise all the delegable authority of the Director of Central Intelligence as Agency head and he shall make recommendations with respect to the exercise by the Agency head of nondelegable authority. He is authorized to make such further delegations of his procurement authorities as deemed appropriate.

b. **POLICY.** Within limits imposed by statutes or other authorities external to CIA, the Director of Logistics shall conduct procurement activities and make commitments binding the Government in accordance with standards, arrangements, methods, and terms most advantageous to the Government. Unless security or other considerations peculiar to the Agency's mission require procurement to be carried out in some other manner, it shall be accomplished in general conformity with the procedures and standards by which Federal procurement is conducted by the General Services Administration or the Department of Defense, as evidenced respectively by the "Federal Procurement Regulations" and the "Armed Services Procurement Regulations" as they now exist or may be amended.

c. **RESPONSIBILITIES.** The Director of Logistics is responsible for the development of instructions and guidelines, including technical handbooks as appropriate, for the conduct of Agency procurement activities. These instructions shall include explanations of:

- (1) The nature and precise extent of the procurement authorities that he has delegated, and the titles or names of the persons to whom such delegations have been made;
- (2) Arrangements made with requisitioning components of the Agency, the Offices of Security, the Comptroller, and General Counsel, and the Audit Staff for the participation of those components in Agency procurement activities;
- (3) The records to be prepared, reviewed, or maintained within the Office of Logistics to document administrative decisions regarding individual procurement cases or classes of cases.

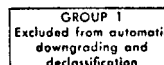
d. UNAUTHORIZED PROCUREMENT ACTIVITIES

- (1) Agency employees shall consult the Office of Logistics before initiating any contracts concerning proposed procurement activity with potential sources of supply, including business and other organizations, institutions, or persons outside the Agency.
- (2) Unauthorized procurement activities by Agency employees, including contacts, negotiations, or commitments, may subject the employees involved to personal liability and disciplinary action.
- (3) Purchases from Government employees are prohibited except with prior approval of the Director of Logistics.

e. **PRECONTRACT CONTACTS.** For security reasons all headquarters personnel shall consult with the Security Staff, Office of Logistics, before initiating any form of contact with commercial firms, universities, or institutions, when the purpose of the contacts is possible or contemplated Agency procurement

Revised: 14 March 1963

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contracts, whether classified or unclassified. This coordination is essential to prevent the compromise of existing Agency contracts of a sensitive or classified nature, and also to ensure that all mail and personal contacts are made in a manner consistent with the proposed sterility of the contemplated procurement action.